

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

MEZO

Last updated on 31 October 2025

Disclaimer

Payward Canada Inc. (Kraken) is registered under Canadian securities laws as a restricted dealer and is offering Crypto Contracts on crypto assets in reliance on a prospectus exemption contained in the exemptive relief decision [Re Payward Canada Inc.](#) dated 04/01/2025 (the Decision). The statutory rights in section 130.1 of the Securities Act (Ontario), and, if applicable, similar statutory rights under the securities legislation of each other province and territory in Canada, do not apply in respect of the Crypto Asset Statement to the extent a Crypto Contract is distributed under the prospectus relief in the Decision.

No securities regulatory authority has expressed an opinion about the Crypto Contracts or any Crypto Assets (as defined in the Risk Statement) made available on the Kraken platform, including an opinion that MEZO is not itself a security and/or derivative. Changes to applicable law may adversely affect the use, transfer, exchange, or value of any of your crypto assets, and such changes may be sudden and without notice.

Please note that this Crypto Asset Statement may not be exhaustive of all risks associated with trading MEZO. Please review the [Risk Statement](#) and [Fee Schedule](#) for additional discussion of general risks and transaction fees associated with the Crypto Contracts and Crypto Assets made available through the Canadian Platform. These materials are for general information purposes only and are not investment advice or a recommendation or solicitation to buy, sell or hold any crypto asset or to engage in any specific trading strategy. The information contained in this Crypto Asset Statement is based on publicly available information provided by third parties.

What is Mezo (\$MEZO) and how does it work?

Mezo is a platform designed to let Bitcoin holders use their BTC without selling it. The project outlines that users can deposit Bitcoin to take Bitcoin-collateralized loans and mint MUSD, a Bitcoin-backed stablecoin. It also provides tools such as borrowing, refinancing, and on-chain transaction features built around Bitcoin as the core asset. Mezo describes itself as a system that allows users to access financial services in a bank-free structure while keeping full exposure to their BTC.

At the time of writing the token is not live. The team plans for the MEZO token to be used for governance and staking within the network. Holders who stake MEZO in the veMEZO gauge receive a share of network fees and gain voting rights on revenue-distribution gauges.

Who is behind the project?

Mezo was founded by Matt Luongo.

Tokenomics of MEZO

The total supply of MEZO is 1 billion tokens, which is distributed as follows:

Category	Percentage
Investors	30%
Thesis	20%
Community	40%
Foundation	10%
Total	100%

General Risks

Like all other digital assets, there are some general risks to investing in MEZO. These include short history risk, volatility, and liquidity risk, demand risk, forking risk, code defects, cryptography risk, regulatory risk, concentration risk, electronic trading risk and cyber security risk. For more information on general risks associated with smart contracts and digital assets, see [Kraken's Risk Statement](#).

Risks specific to MEZO

Competition

The Mezo platform faces competition from other Bitcoin-backed loan platforms such as Aave, Nexo, and many others. MEZO's value derives from its broader adoption in the market. If the Mezo platform fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of MEZO.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on MEZO and determined that MEZO is unlikely to be a security or derivative under Canadian securities legislation. Our analysis generally includes, but is not limited to, reviewing publicly available information on the following:

- The creation, governance, usage and design of MEZO, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created MEZO;
- The supply, demand, maturity, utility and liquidity of MEZO;
- Material technical risks associated with MEZO, including any code defects, security breaches and other threats concerning MEZO and its supporting blockchain (such as the susceptibility to hacking and impact of forking), or the practices and protocols that apply to them; and

- Legal and regulatory risks associated with MEZO, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of MEZO, and (ii) consideration of statements made by any regulators or securities regulatory authorities in Canada, other regulators of the International Organization of Securities Commissions, or the regulator with the most significant connection to MEZO about whether MEZO, or generally about whether the type of crypto asset, is a security and/or derivative.